

Reclamation Manual

Directives and Standards

Glossary

1. **Appraisal (Report)** is a written report, independently and impartially prepared by a qualified individual, setting forth an opinion of defined value of an adequately described property, as of a specific date, and supported by the presentation and analysis of relevant market data [Uniform Act, 1993, 49 CFR Part 24.2(b)].
2. **Appraisal Options** refers to USPAP's three basic appraisal options, as follows:
 - A. **Self-Contained Appraisal** has the greatest level of detail of the appraisal options, containing all information significant to the solution of the appraisal problem (USPAP, 1996, pp. 105-107).
 - B. **Summary Appraisal** has the next level of detail providing a summary of all information significant to the solution of the appraisal problem (USPAP, 1996, pp. 106-107).
 - C. **Restricted Appraisal** has the least amount of detail of the appraisal options and contains only a brief statement of information significant to the solution of the appraisal problem (USPAP, 1996, pp. 106-107).
3. **Appraisal Review (Review)** is a technical review by an appraiser qualified to evaluate the accuracy and validity of the data, analysis, and value conclusions in an appraisal. The review appraiser is equally responsible for the validity and accuracy of the appraisal as the appraiser.
4. **Appraisal Service** refers to the preparation or the review of an appraisal by either a staff or fee appraiser.
5. **Appraiser** refers to a person who possesses the education, training, and experience necessary to accurately render an opinion of real property value.
6. **Binding Requirement** refers to all or part of a standards rule of USPAP from which departure is not permitted.
7. **Condemnation** is the exercise of the power of eminent domain by the Government to take private property for public use.
8. **Cost-to-Cure** refers to the circumstance where damage to the remaining property in a partial taking may be cured by remedial action performed by the owner or by the Government. The cost-to-cure is a measure of damage only when it is not greater than the decrease in the market value of the remainder. When the cost-of-cure is less than the severance damages, the United States may pay the cost-of-cure (UASFLA, 1992, P. 35).

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9. **Departure Provision** permits limited departure from those sections of USPAP which are classified as "specific guidelines."
10. **Designated Review Appraiser** refers to a qualified staff member who is designated by a Regional Director, in consultation with the Chief Appraiser, to serve as the Region's review appraiser and, in some instances, subject to certain limits or restrictions.
11. **Easement** refers to a legal interest in real property that conveys use or enjoyment, but not ownership of the property. An easement may either be acquired from or issued to private parties or other public agencies on a temporary or perpetual basis.
12. **Excess Land** refers to irrigable land, other than exempt land, in excess of the maximum ownership entitlement under the applicable provision of Reclamation Law.
13. **Excess Land Appraisal** is a written appraisal of irrigable land in which the ownership exceeds the maximum acreage allowed by Reclamation Law. Under Reclamation Law, excess lands are appraised "without reference," while improvements located on the excess lands are appraised "with reference."
 - A. **With Reference** means that the effects of the existing or proposed irrigation project will be considered in the valuation of the improvements.
 - B. **Without Reference** means that no consideration or value is attributable to the land because of the existence or proposed construction of an irrigation project by Reclamation. The land is appraised using the highest and best use without project water or services.
14. **Fair Market Value** refers to "the amount in cash, or terms reasonably equivalent to cash, for which in all probability the property would be sold by a knowledgeable owner willing, but not obligated to sell, to a knowledgeable purchaser, who desired but is not obligated to buy" (UASFLA, 1992, p. 4).
15. **Fee Appraiser** is an individual who appraises real estate for a fee. Due to current law, only individuals who are qualified and certified to appraise real property in the state in which they appraise will be utilized by Reclamation.
16. **Fee Simple Estate (Fee)** refers to ownership of a property that is unencumbered by any other interest or estate, and represents the greatest possible ownership interest in land. It is subject only to the limitations of eminent domain, escheat, police power, and taxation.

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17. **Highest and Best Use** is the highest and most profitable use for which a property is adaptable and needed, or likely to be needed, in the near future. Only that use which is physically possible, legally permissible, financially feasible, and maximally productive shall be considered in the analysis of highest and best use (UASFLA, 1992, p. 8). A non-economic highest and best use is not a proper basis for the estimate of market value and, accordingly, a highest and best use of conservation, preservation, or other use that requires the property to be withheld from economic production in perpetuity, is not a valid use upon which to estimate market value.
18. **Just Compensation** is compensation which is fair and reasonable to both the owner whose property is being acquired and to the general public who must pay for it. Just compensation shall not be less than the approved appraisal of the fair market value of the property, taking into account severance damages and special benefits.
19. **Larger Parcel** refers to a tract, or those tracts, of land which possess a unity of ownership and have the same, or an integrated highest and best use. Elements of consideration by the appraiser in making a determination in this regard are contiguity, or proximity, as it bears on the highest and best use of the property, unity of ownership and unity of highest and best use (UASFLA, 1992, p. 73).
20. **Leasehold Estate** is an ownership interest held by a tenant in which the right to use and occupy a property has been conveyed to the tenant by the terms of a lease.
21. **Lease** is a contract that transfers the rights of possession and/or use of a property from the owner to another for a specific period of time and a specified rent (cash, crop, or other remuneration).
22. **Partial Acquisition** results when part of a larger parcel is acquired in fee, or an easement is acquired over all or part of a property, or some combination of a fee and an easement is acquired.
23. **Real Estate** refers to the physical land and structures affixed to it.
24. **Real Property** refers to all interests, benefits, and rights inherent in the ownership of physical real estate; the bundle of rights with which the ownership of the real estate is endowed. In some states, real property is defined by statute and is synonymous with real estate.
25. **Real Estate Related Transaction** refers to any transaction including the sale, lease, exchange, or acquisition of real property, including temporary and perpetual easements (OMB Bulletin 91-05, Appendix II, p. 7).

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26. **Review Appraiser (Reviewer)** refers to an appraiser who is technically qualified to review the report of another appraiser to determine the validity and reliability of the data, analyses, and value conclusions.
27. **Rights-of-Use** refer to the rights to occupy, use, or traverse land and water surfaces under the jurisdiction, or management of Reclamation. Rights-of-use instruments include easements, leases, licenses, permits, and other land use authorization documents issued to an entity by Reclamation.
28. **Right-of-Way** refers to land or any interest in land acquired for the purpose of public or private rights-of-use and/or passage (including persons, vehicles, and heavy equipment) and erecting, laying, placing, and maintaining drains, ditches, pipes, and transmission lines or wires for the conveyance, transmission, or transportation of water and electric power or for any other purpose necessary for the construction, operation, and maintenance of the project or undertaking. These are usually referred to as easements in Reclamation.
29. **Special Benefits** result from a partial acquisition when the value of the remaining property is specifically enhanced as a result of the project. Under Federal rules, the value of such benefits may offset compensation for both severance damages and for the part taken. Special benefits must be supported in the appraisal.
30. **Severance Damages** result from a partial acquisition when the highest and best use or value of the remainder is diminished by the acquisition. Under Federal rule, severance damages shall not be assumed merely because of a partial acquisition and must be supported in the appraisal.
31. **State Certified Appraiser** refers to an "individual who has satisfied the requirements for State Certification or equivalent requirements in a State or territory whose criteria for a real estate appraiser currently meet the minimum criteria for certification issued by the Appraiser Qualification Board of the Appraisal Foundation." (OMB Bulletin No. 91-05, November 26, 1990.)